

49/09

From: WAYNE HEDBERG (WHEDBERG)
To: LKUNZLER
Date: Thursday, August 4, 1994 9:06 am
Subject: CHIEF CONSOLIDATED MINING CO.- M/049/009

F.Y.I.

I RECEIVED A CALL FROM MR. TOM GAST OF ENVIRONMENTAL MANAGEMENT SERVICES COMPANY (EMS CO.) OUT OF FT. COLLINS, COLORADO TUESDAY AFTERNOON (303)482-9624. HE HAS BEEN HIRED BY CHIEF CONSOLIDATED MINING COMPANY TO CARRY OUT THE PERMIT TRANSFER PROCESS FOR THE REMAINING BURGIN, APEX & HUNTER SHAFT PROPERTIES, PRESENTLY HELD/PERMITTED BY SUNSHINE MINING COMPANY (NEAR EUREKA, UTAH).

HE WILL BE CONTACTING US TO SET UP A MEETING SOMETIME IN THE NEAR FUTURE TO DISCUSS HOW WE WANT THEM TO PERMIT THE REMAINING MINING PROPERTIES BONDED BY SUNSHINE MINING COMPANY THAT WERE NOT ASSUMED BY SOUTH STANDARD MINING COMPANY (WHO RECENTLY PERMITTED ONLY THE TRIXIE MINE). I INFORMED HIM WE WILL WANT A NEW STAND ALONE PERMIT FORMATTED UNDER OUR NEW RULES. THEY CAN USE INFORMATION FROM OLDER APPROVED SUNSHINE PERMIT, BUT WE MAY ASK FOR A SOME SUPPLEMENTAL INFORMATION AS NECESSARY FOR CLARITY AND CONTINUITY. HE HAS RECEIVED A COPY OF SOUTH STANDARD'S RECENTLY APPROVED TRIXIE MINE PERMIT FROM ALAN YOUNG OF SUNSHINE MINING CO.

HE INDICATED THAT CHIEF WILL HAVE A JOINT VENTURE PARTNER (AKIKO GOLD RESOURCES ?) INVOLVED WITH THE BURGIN/APEX PROJECT. THEY WANT TO DO SOME ORE RESERVE DEVELOPMENT DRILLING (FROM UNDERGROUND WORKINGS OF APEX #2 SHAFT) SOON AND WILL BE SUBMITTING AN APPLICATION TO PERFORM SAME. WASN'T SURE IF HE SHOULD PURSUE UNDER AN EXPLORATION PERMIT OR UNDER EXISTING SUNSHINE MINE PLAN SINCE IT IS WITHIN SCOPE OF THE APPROVED PERMIT AREA. HE WILL SUBMIT APPLICATION AND LET US MAKE THE CALL.

CHIEF ALSO HAS AN INTEREST IN DRILLING/DEVELOPING SOME ADDITIONAL PATENTED MINE PROPERTIES CLOSER TO EUREKA (CHIEF #2 SHAFT). THIS WOULD ALSO BE UNDERGROUND DEVELOPMENT WORK AND DRILLING TO IDENTIFY REMAINING RESERVES. ADVISED MR. GAST THAT THIS SHOULD BE PERMITTED UNDER A NEW EXPLORATION NOI. AKIKO WILL NOT BE INVOLVED WITH THIS ACTION.

A COPY OF THIS MESSAGE WILL BE SENT TO THE MINE FILE - M/049/009.

CC: T GALLEGOS, T JONES, J BURNS, L BRAXTON